

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6214

BILL NUMBER: HB 1871

DATE PREPARED: Feb 21, 2001

BILL AMENDED: Feb 20, 2001

SUBJECT: Directing of Medicaid Patients to Certain Hospitals.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) This bill removes the December 31, 2000, expiration date of provisions that: (1) require a Medicaid managed care contractor in Lake County to regard a hospital as a contracted provider which provides services to certain patients under a capitated prepayment managed care system; (2) prohibit a Medicaid managed care contractor from providing incentives or mandates to primary medical providers to direct certain Medicaid recipients to contracted hospitals other than a hospital in a city where the recipient resides; and (3) require certain Medicaid hospitals to comply with eligibility verification and medical management programs negotiated under the hospital's most recent contract or agreement with the Medicaid managed care contractor. The bill prohibits providing certain hospitals less reimbursement when the patient was referred to a hospital in the city where the patient resides. It also prohibits a hospital from declining nonemergency services to an individual in the Medicaid risk based program if the hospital has an agreement with the individual's managed care contractor. (The introduced version of this bill was prepared by the Interim Study Committee on Medicaid Oversight.)

Effective Date: December 30, 2000 (retroactive).

Explanation of State Expenditures: (Revised) This bill extends the expiration dates for certain provisions in current statute which affect the relationship between a Medicaid managed care organization (MCO) providing services in Lake County and the providers providing medical services to Medicaid recipients assigned to the MCO. This provision is not expected to impact expenditures in the Medicaid program.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: